

SCHOOL BUDGET REVIEW COMMITTEE

Summary of Action

December 15, 2015

The School Budget Review Committee met in regular session on Tuesday, December 15, 2015, at the Department of Education, ICN Room, Second Floor, Grimes State Office Building, 400 E. 14th St., Des Moines, Iowa 50319-0146. The following members of the Committee were present: Director Ryan Wise, Department of Education, Director Dave Roederer, Department of Management, and public members: Gina Primmer, Leland Tack, Gretchen Tegeler, and Keith England. The director of the Department of Education is a non-voting member and the chair. Votes were unanimous unless otherwise noted.

All decisions by the Committee shall be made in accordance with reasonable and uniform policies which shall be consistent with chapter 257. All such policies of general application shall be stated in rules adopted in accordance with chapter 17A. The Committee shall take into account the intent of chapter 257 to equalize educational opportunity, to provide a good education for all the children of Iowa, to provide property tax relief, to decrease the percentage of school costs paid from property taxes, and to provide reasonable control of school costs. The Committee shall also take into account the amount of funds available (257.31(10)). The SBRC shall review a school district's unexpended fund balance prior to any decision regarding unusual finance circumstances. The SBRC shall review a school district's unspent balance prior to any decision to increase modified supplemental amount under subsection 257.31(5).

1. Committee Informational Items

Negative Unspent Balance. Reviewed the Negative Unspent Balances. The balances are reported pending further Department review. Eleven districts ended FY15 with a negative balance:

1368	COLUMBUS	-366,654
1449	CORWITH-WESLEY	-376,167
2205	FARRAGUT	-93,177
2834	HARMONY	-119,292
3195	GREENE COUNTY	-248,115
3537	LAURENS-MARATHON	-98,983
4509	MORNING SUN	-161,079
4978	ORIENT-MACKSBURG	-183,057
6175	STARMONT	-131,680
6460	TRI-CENTER	-99,232
6987	WEST MONONA	-73,807

Unspent Balances. Reviewed the preliminary list by district of unspent balances (budget authority) in the General Fund. The balances are reported pending further Department review.

Corrective Action Plans for Late Filers of CAR-COAs. Some districts were not required to personally appear for the hearings if their plans were so well written that the Department felt it could represent the district in its stead.

Fiscal Year 2017 Hearing Session Schedule.

- Tuesday, August 9 or 16, 2016, for a possible work session.
- Tuesday, October 4, 2016.
- Tuesday, December 13, 2016.
- Tuesday, March 14, 2017.

2. Transportation Assistance Aid. Directed the Department to distribute the transportation assistance aid in the amount of \$15,419 to the eligible districts on an equitable basis.
3. Supplementary Weighting. Certified to the Department of Management the supplementary weightings pending further Department review.
4. On Time Funding for Increased Enrollment Applications. Approved on-time funding modified supplemental amount for the 2015-2016 school year in the total amount of \$38,175,748 for increased enrollment for all eligible districts making requests. Action on Mount Pleasant Community School District was taken separately to allow a Committee member to recuse himself.
5. Open Enrollment Out Applications. Approved modified supplemental amount for the 2015-2016 school year in the total amount of \$24,665,647 for tuition costs incurred for open enrollment out students not included on the previous year's certified enrollment report for eligible districts making requests. Action on Mount Pleasant Community School District was taken separately to allow a Committee member to recuse himself.
6. Limited English Proficiency Applications. Approved modified supplemental amount for the 2015-2016 school year for the costs of providing instructional services to limited English proficient students being served beyond the five years of weightings in the total amount of \$8,129,254 for all eligible districts making requests. Action on Mount Pleasant Community School District was taken separately to allow a Committee member to recuse himself.
7. Excess Costs of Providing the LEP Program. Approved modified supplemental amount for the 2014-15 school year for the costs of providing additional instructional services to limited English proficient students in excess of weightings generated, modified supplemental amount granted or other resources in school year 2014-2015 which was not previously requested, in the total amount of \$9,150,937.
8. AEA Special Education Support Services Balances. Recommended to the Department of Education that no deductions be made from school district budgets for

excess special education support services assigned and unassigned June 30, 2015, fund balances in the AEAs because none exceeds 10% of special education expenditures.

9. Special Education Balances. Approved the requests for modified supplemental amount for the special education deficit in a total amount of \$94,818,821 for the 2014-2015 school year for eligible districts that have made requests, to certify the FY15 positive and negative balances of funds for each school district to the Department of Management, and to direct the Director of the Department of Management to make the payments to school districts as outlined in Iowa Code subsection 257.31(14)“b”. Directed the Department to analyze costs on a comparable basis and to conduct desk reviews and on-site reviews on districts identified as outliers in the analysis. Action on Hubbard-Radcliffe Community School District was taken separately to allow a Committee member to recuse himself.
10. Special Education Weightings. Accepted the recommendation of the Director of the Department of Education relating to the special education weighting plan, which is to not change the weighting levels.
11. Eagle Grove School District. Approve modified supplemental amount for the 2015-2016 school year in the amount of \$4,737 for asbestos abatement.
12. Odebolt-Arthur School District. Approved modified supplemental amount for the 2015-2016 school year in the amount of \$43,780 for asbestos abatement.
13. Central City Community School District. Accepted, with reservations, the plan provided by the district and directed the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
14. Davenport Community School District. Accepted the plan provided by the district and directed the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
15. Denver Community School District. Accepted the plan provided by the district and directed the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
16. Janesville Consolidated School District. Accepted, with reservations, the plan provided by the district and directed the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions

granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

17. Mormon Trail Community School District. Accepted, with reservations, the plan provided by the district and directed the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

18. Wapsie Valley Community School District. Accepted, with reservations, the plan provided by the district and directed the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

19. Prescott Community School District. Authorized the district to make a permanent interfund transfer from the General Fund to the Daycare Fund in the amount of \$32,398.08 so the fund can be closed and to the School Nutrition Fund in the amount of \$46,049.71, for a total of \$78,447.79 and approved modified supplemental amount for the 2015-2016 school year in the amount of \$78,448, pending receipt of board minutes. The district is reorganizing July 1, 2016.

20. North Cedar Community School District. Directed the district to make no permanent interfund transfers in any amount in the future, except where specifically authorized by Iowa Code, without prior approval of the SBRC.

21. Ames Community School District. Approved modified supplemental amount for the 2015-2016 school year in the amount of \$1,123,018 for the 2012-2013 and 2013-2014 special education deficits not previously requested.

22. Farragut Community School District. Directed the district to reduce expenditures to the extent possible to maximize the amount of assets that will follow students and directed the district to ensure that any categorical funding it has received that was not expended for that categorical purpose by the end of FY16 not be expended for any other purpose, including cash flow, pursuant to BOEE professional standards and state and federal law.

Directed the district to operate its expenditures in compliance with Iowa Code.
Miscellaneous income shall not be expended until received.

Directed the district to submit monthly reports to its AEA demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

23. Greene County Community School District. Tabled the request for modified supplemental amount for the 2015-2016 school year in the amount of \$244,282, as part of its corrective action plan, and directed the district to resubmit its corrective action plan with sufficient reductions in expenditures to end FY16 with a positive unspent balance.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY16 more than \$12,640,362, not including any allowable special education expenditures in excess of special education receipts, plus actual miscellaneous income received. Miscellaneous income shall not be expended until received.

Directed the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

24. Harmony Community School District. Approved modified supplemental amount for the 2015-2016 school year in the amount of \$119,251 as part of its corrective action plan and received its corrective action plan.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY16 more than \$3,406,474, not including any allowable special education expenditures in excess of special education receipts, plus actual miscellaneous income received. Miscellaneous income shall not be expended until received.

Directed the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

25. Laurens-Marathon Community School District. Approved modified supplemental amount for the 2015-2016 school year in the amount of \$98,983 as part of its corrective action plan and received the district's corrective action plan.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY16 more than \$3,142,713, not including any allowable special education expenditures in excess of special education receipts, plus actual miscellaneous income received and any actual modified supplemental amount approved. Miscellaneous income shall not be expended until received.

Directed the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

26. Orient-Macksburg Community School District. Approved modified supplemental amount for the 2015-2016 school year in the amount of \$183,057 as part of its corrective action plan and received its corrective action plan.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY15 more than \$1,754,120, not including any allowable special education expenditures in excess of special education receipts, plus actual miscellaneous income received. Miscellaneous income shall not be expended until received.

Directed the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

27. Starmont Community School District. Tabled the request for modified supplemental amount for the 2015-2016 school year in the amount of \$133,680 as part of its corrective action plan and directed the district to resubmit its corrective action plan with sufficient reductions in expenditures to end FY16 with a positive unspent balance.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY16 more than \$5,811,296, not including any allowable special education expenditures in excess of special education receipts, plus actual miscellaneous income received and any actual modified supplemental amount approved. Miscellaneous income shall not be expended until received.

Directed the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

28. Tri-Center Community School District. Approved modified supplemental amount for the 2015-2016 school year in the amount of \$99,232 and received the corrective action plan.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY16 more than \$6,184,688, not including any allowable special education expenditures in excess of special education receipts, plus actual miscellaneous income received. Miscellaneous income shall not be expended until received.

Directed the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum

spending authority. These reports shall be available to the SBRC and to the auditor on request.

29. West Monona Community School District. Approved modified supplemental amount for the 2015-2016 school year in the amount of \$73,807 as part of the district's corrective action plan and received the district's corrective action plan.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY16 more than \$6,576,942, not including any allowable special education expenditures in excess of special education receipts, plus actual miscellaneous income received. Miscellaneous income shall not be expended until received.

Directed the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

30. Columbus Community School District. Tabled the request for modified supplemental amount for the 2015-2016 school year in the amount of \$366,654 as part of its corrective action plan, directed the district to resubmit its corrective action plan with sufficient reductions in expenditures to end FY16 with a positive unspent balance, and recommended a fiscal Phase I visit prior to the March SBRC hearing.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY15 more than \$7,421,862, not including any allowable special education expenditures in excess of special education receipts, plus actual miscellaneous income received and any actual modified supplemental amount approved. Miscellaneous income shall not be expended until received.

Directed the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

31. Morning Sun Community School District. Approved modified supplemental amount for the 2015-2016 school year in the amount of \$161,079 as part of its corrective action plan and received the corrective action plan.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY16 more than \$2,047,439, not including any allowable special education expenditures in excess of special education receipts, plus actual miscellaneous income received. Miscellaneous income shall not be expended until received.

Directed the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.